

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rail Safety and Carriers Division

RESOLUTION TL-18973

September 20, 2001

RESOLUTION

RESOLUTION EXTENDING THE AUTHORITY GRANTED TO
PASSENGER STAGE CORPORATIONS TO ADJUST THEIR FARES
WITHOUT SPECIFIC APPROVAL OF THE COMMISSION

SUMMARY

This resolution extends the authority which allows passenger stage corporations (PSCs) to adjust their fares without specific Commission authorization.

BACKGROUND

By Resolution TL-18904, dated October 21, 1999, we authorized PSCs for a 180-day period to file tariffs with fares that are within a “zone of reasonableness” whose upper limit is 15% above their current fares. This action was taken in response to the significant increases in fuel prices that had occurred in California. We wanted PSCs to be able to obtain needed fare relief with minimum regulatory burden. Without this special authority carriers would have to make formal application to the Commission for either a fare increase or a zone of rate freedom. The authority granted by Resolution TL-18904 was extended to October 15, 2000, by Resolution TL-18923 and further extended to October 15, 2001, by Resolution TL-18943.

DISCUSSION

The problem of high fuel prices in California has not diminished since we issued our earlier resolutions making fare flexibility available to PSCs. We will therefore extend the special authority for one more year. The Commission’s Rail Safety and Carriers Division (RSCD) will be monitoring fuel prices, and if price changes warrant cancellation or modification of the authority, we will act accordingly.

The initial authority to adjust fares granted in October 1999 was intended to be temporary. We do not believe it is appropriate to keep extending the authority to the point where it is viewed as permanent. Therefore, we intend this to be the last extension. Each carrier should closely track its costs and determine whether it will need to obtain further relief through an application for a fare increase or a ZORF.

COMMENTS ON DRAFT RESOLUTION

To comply with Pub. Util. Code § 311(g), RSCD commenced publication of a Daily Calendar notice on August 21, 2001, that apprised the public of the availability of its draft of this resolution and solicited comments by September 10, 2001. No comments were received.

THEREFORE, IT IS ORDERED that:

1. The authority granted by Resolution TL-18904, as extended by Resolutions TL-18923 and TL-18943, permitting passenger stage corporations (PSCs) to file tariffs with fares that are within a “zone of reasonableness” whose upper limit is 15% above their current fares, is further extended to October 15, 2002, unless earlier modified or cancelled by the Commission.
2. Until October 15, 2002, PSCs that have been individually granted a zone of rate freedom pursuant to Public Utilities Code Section 454.2 are permitted to file tariffs with fares that are within a “zone of reasonableness” whose upper limit is 15% above their authorized zone of rate freedom.
3. PSCs shall be allowed to exercise the actions permitted by Ordering Paragraphs 1 and 2 by making a tariff filing showing a percentage surcharge on any or all of their tariff fares and charges within the range authorized.
4. Tariff filings pursuant to this order may be made effective upon one day’s notice (one day after filing with the Commission).
5. Any tariff filings authorized by this order shall expire October 15, 2002, absent further order by this Commission. Any PSC that made a tariff filing under Resolution TL-18943 shall make an amended filing reflecting the new expiration date of October 15, 2002.

6. The Executive Director shall cause a copy of this resolution to be served on every passenger stage corporation holding a certificate from the Commission.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted by the Commission at its regularly scheduled meeting on September 20, 2001.
The following Commissioners voted favorably thereon:

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President

HENRY M. DUQUE

RICHARD A. BILAS

CARL W. WOOD

GEOFFREY F. BROWN

Commissioners